

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 3474 – SB 3365

May 27, 2010

SUMMARY OF AMENDMENT (015406): Deletes the second sentence in Section 1 of the original bill. Requires city and county legislative bodies to agree on use prior to proceeds from the bond issue being used for maintenance of or construction at schools in existence at the time of the bond issuance. Bonds issued shall still only be used for those purposes.

FISCAL IMPACT OF ORIGINAL BILL:

(CORRECTED)

Other Fiscal Impact – According to the Department of Education, the City of Memphis owes Memphis City Schools approximately \$78,275,000. This amount is for their annual maintenance of effort requirement. Half of that amount is \$39,137,500. Approximately \$39,137,500 could for bond issuance and \$39,137,500 could be used for operations. This will be a permissive use of the money.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On April 23, 2010, we issued a fiscal memorandum for this amendment indicating a fiscal impact of *Unchanged from the original fiscal note*. On May 27, 2010, we received additional information from the Office of Legal Services, the Department of Education, and the Comptroller's Office regarding this amendment and the original bill to which it applies. The fiscal impact of the original bill was in error and has been corrected. The fiscal impact of the amendment has been changed accordingly.

(CORRECTED)

Unchanged from the corrected fiscal impact of the original bill.

Assumptions applied to amendment:

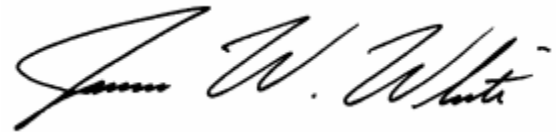
- The City of Memphis and the Memphis City School district will agree on the use of the maintenance of effort money that is owed to the school district in accordance with this bill before it is utilized.

HB 3474 – SB 3365 (CORRECTED)

- According to the Comptroller, the MOE money may be used for bond issuance currently, therefore, utilization of MOE money for this purpose will not be a loss to the operational funding of the school district. It will not be made up from any other source.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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